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Last Friday, December 18, 2009, the Auditor-Controller released the findings from her Payroll and Personnel review of the Los Angeles County Sheriff's Department. The audit, which covered many areas (such as leave accounting and monitoring bonus eligibility) disclosed a number of errors resulting in overpayments, underpayments and incorrect leave balances. For example, eight employees were overpaid approximately \$62,000 when they went from using part-pay sick leave to using full-pay leave.

The area that had the most significant findings, however, was overtime usage. Over the past five years, the Sheriff has exceeded his annual overtime budget (which was \$84.6 million in FY 2008-09) by an average of 104%, or nearly \$83 million per year. Last year, the Department made great strides to reduce overtime usage, and expenditures went down 20%. While progress is being made, more needs to be done.

Specifically, the audit found that:

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1. **Work schedule rules are often violated.** Of the high overtime earners reviewed, 70% violated the work schedule rules. Violations include working back-to-back double shifts or working over 12 consecutive days.

2. **Overtime is not always monitored with the internal controls currently in place.** Timekeeping staff are required to issue notices for work schedule violations and failed to do so in 72% of the cases reviewed. Unit Managers are required to monitor overtime for appropriateness on a monthly basis; however, 100% of the managers sampled failed to do so.

3. **Some existing overtime and work schedule policies need to be reevaluated.** Currently, the Sheriff's Department allows up to 96 hours of overtime per month –equivalent to 9 extra months per year of full-time work. However, under this policy, it is clear that overtime usage is excessive. Between March 2007 to February 2008, 1,313 employees worked over 600 hours, and of these employees, 348 worked over 900 hours of overtime, equal to 6 months of additional full-time work.

Employees who work excessive amounts of overtime may not be physically or mentally capable of performing their jobs, and may be jeopardizing public safety. As page 3 of the report indicates, "The number of employees working a significant amount of total overtime indicates a need for additional overtime policies and controls."

WE, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Office (CEO) to report back on January 19, 2010 on strategies for identifying and implementing additional overtime policies and controls, including, but not limited to, the following:

- Quarterly reviews conducted by the CEO, with the assistance of the Auditor-Controller, to monitor the overtime usage of high overtime earners where overtime earnings exceed 50% of their regular salary. Such reviews should identify any work schedule violations, including all cases where employees work back-to-back double shifts, more than 12 days consecutively or more than 19 hours in a day.
- Submission of overtime monitoring findings by the Sheriff's timekeeping staff/ Unit Managers to the CEO on a quarterly basis for verification and review.
- Review of existing overtime policies and work schedule rules by the CEO, the Department of Human Resources, the Auditor-Controller and the Sheriff's Department, including, but not limited to, the 96 hours per month overtime cap and criteria for when, if any, exceptions for individuals or bureaus may be made.
- Immediate analysis of the errors identified in this report and the potential recovery of overpayments, correction of underpayments and adjustment of employee leave balances.